

JENNIFER M. GRANHOLM GOVERNOR KEITH W. COOLEY DIRECTOR

November 2008

IMPORTANT NOTICE TO ALL SUPPLIERS, SUBCONTRACTORS AND LABORER FUND MEMBERS REQUIRED TO PAY HCLRF MEMBERSHIP RENEWAL FEES

Effective **January 3, 2007**, the Construction Lien Act was amended by PA 497 of 2006. Under the Act, except for licensed contractors and laborers, the supplier and subcontractors (non-licensed) members are required to pay \$50 fee to become a member before the date of the lien claimant's contract for improvement or materials and pay \$30 renewal fee every 3 years to maintain their membership in the Fund. A laborer who seeks to recover from the Fund is not required to pay a fee until he or she obtains a recovery, at which time a \$15 fee will be withheld from the first time payout from the Fund. The laborer will be assessed the membership renewal fee of \$30 on June 1 every three years thereafter. Supplier members are required to register each retail location by paying an initial membership fee of \$50.00 and a membership renewal fee of \$30 on June 1st every 3 years thereafter.

If a laborer, supplier or subcontractor paid an initial fee to become a member of the Fund on or before June 1, 2006, the first renewal fee will be due by June 1, 2009. If a person became a member after June 1, 2006, the \$30 renewal fee will be due by the first June 1 following the third anniversary date of the initial membership date, and a \$30 renewal date by June 1 every third year after the first renewal payment, which now requires the supplier, subcontractor (non-licensed) and laborer members are required to pay assessment of \$10 per year for each membership.

The \$10 annual fee is to be collected during the membership renewal cycle every three years on June 1st.

Examples of membership scenanos:

Supplier X paid the initial membership fee of \$50 on February 1, 2005, the first membership renewal fee of \$30 would be due by June 1, 2009.

Subcontractor Z paid the initial membership fee of \$50 on November 1, 2006, the first membership renewal fee of \$30 would be due by June 1, 2010.

Laborer A paid is awarded a judgment against the Fund, a \$15 fee is withheld from the award as the initial membership application fee, after becoming a member of the Fund, the laborer is required to pay a \$30 renewal fee will be due by the first June 1 following the third anniversary date of the initial membership date, and a \$30 renewal date by June 1st every third year after the first renewal payment.

You must pay the total fee due in order to maintain a current membership.

If you have specific questions <u>regarding your membership renewal fee payment</u>, you may contact the Construction Lien Program office at (517) 241-9241.

DLEG is an equal opportunity employer/program.

Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities

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Visit our website at <u>www.michigan.gov/conlien</u> to obtain information on the amendments to the Michigan Construction Lien Act, including changes in the Construction Lien membership fees.

Thank you.